NOTES.

AN examination of the tables of agricultural products in the *Statistical Abstract* will show sufficient grounds for the discontent of the American farmer. Whether we take the value of the live stock or the value of the crops, the result is the same. The past three years show a decline in value entirely unprecedented.

There is no three-year period since 1872 when the wheat crop of the United States has not been valued at least $150,000,000 higher than in the period just closed. The average value by three-year periods for the twenty-one years from 1872 to 1892 is $1,088,000,000, while from 1893 to 1895 the total value of the three wheat crops was only $670,000,000. Since 1878 the acreage in wheat has remained practically constant, fluctuating between 32,000,000 and 39,000,000 acres, and the crop has ranged from 357,000,000 to 611,000,000 bushels. The past three years an average acreage has borne average crops, but the farmers were paid $150,000,000 less each year than the average received during the preceding fifteen years—a loss of nearly 40 per cent.

In corn the loss has not been quite so great absolutely, but in 1895 a crop of 2,151,000,000 bushels sold for $567,500,000. This was the largest crop ever grown, but with the exception of 1894 it was valued at less than any crop since 1878, and $200,000,000 less than the farmers have received for some crops that were only half as large. In corn, too, there is no three-year period since 1878 that will show as low a value for the crop as the years 1893–1895. Compared with the three years 1890–1892 there is a loss of $530,000,000.

An examination of oats-crop statistics reveals the same conditions for the past ten years, but this crop is of less importance. There is one point which deserves special attention. In 1895 the area sown in oats was slightly increased, but the crop was about 20 per cent. larger than usual. The price fell from 32.4 cents to 19.9 cents per bushel and the total crop of 824,000,000 bushels was of less value than any crop since 1884, though in most of the years the crops were less than 675,000,000 bushels. One crop which was 300,000,000 bushels less

was valued $60,000,000 higher than the crop of 1895. This seems to be a case of applying the law of marginal utility with a vengeance.

An equally striking case of increasing quantity and decreasing value is found in the cotton statistics. The 1894 crop was more than 1,000,000,000 pounds above the average, but its value was less than that of any crop since 1887, and almost $100,000,000 less than one preceding crop. This also seems to be a case where increasing the export gave the foreigners all the benefit. For the past three years they have paid us for cotton: (1894) $210,869,289, (1895) $204,900,990, (1896) $190,056,460, and have received: (1894) 2,683,282,325 pounds, (1895) 3,517,433,100 pounds, (1896) 2,335,226,385 pounds. In the three years from 1890–1892 our exported cotton amounted to 8,313,000,000 pounds, for which we received $800,000,000, while in the next three years we exported 8,412,000,000 pounds, for which we were paid $604,000,000.

1890 seems to be a fair average year with which to compare 1895 crops and values to show what the reduction in prices means to the farmer; 1891 would show higher values and make the decline seem more sharp.

Product	Value	Price	Value of yield per acre
Cotton, 1890, 7,311,322 bales	$308,424,271		
" 1895, 9,901,251 "	262,426,000		
Loss,	$45,998,271		
Corn, 1890, 1,489,970,000 bu.	$754,433,451	$0.506	$10.48
" 1895, 2,151,138,580 "	567,509,106	.26	6.91
Loss,	$186,924,345		
Wheat, 1890, 399,262,000 bu.	$334,773,678	$0.838	$9.28
" 1895, 467,102,947 "	237,938,998	.509	6.99
Loss,	$96,834,680		
Oats, 1890, 523.621,000 bu.	$222,048,486	$0.424	$8.41
" 1895, 824,443,537 "	163,655,058	.199	5.87
Loss,	$58,393,428		
Total, 1890,	$1,619,679,886		
" 1895,	1,231,529,162		
Loss on four crops,	$388,150,724		

The decline in value of live stock on the farms is even greater than in the farm products. In one sense this loss is less serious, for only a portion of the live stock is marketed each year. But if the value of the crops which the horses cultivate declines, the value of the horses

becomes less whether they are worked or sold. The following table shows the change in number and value of farm animals for the years 1890, 1893 and 1896.

	HORSES		MILCH COWS	
	Number	Value	Number	Value
1890,	14,213,837	$978,516,562	15,952,883	$353,152,133
1893,	16,206,862	992,225,185	16,424,087	357,299,785
1896,	15,124,057	500,140,186	16,137,586	263,755,545
Loss in three years,		$492,084,999		$93,544,240

	MULES		OTHER CATTLE	
	Number	Value	Number	Value
1890,	2,331,027	$182,394,099	36,049,824	$560,625,137
1893,	2,331,128	164,763,751	35,954,196	547,882,204
1896,	2,728,946	103,204,457	32,085,409	508,928,416
Loss in three years,		$61,549,294		$38,953,788

	SHEEP		SWINE	
	Number	Value	Number	Value
1890,	44,336,072	$100,659,761	51,602,780	$243,418,336
1893,	47,273,553	125,909,264	46,094,807	295,426,492
1896,	38,298,783	65,167,735	42,842,750	186,529,745
Loss in three years,		$60,741,529		$108,896,747

TOTAL VALUE OF FARM ANIMALS

1890,	$2,418,766,028
1893,	2,483,506,681
1896,	1,729,926,084
Loss in three years,	$753,580,597

Here, while the numbers have declined very slightly, the value of horses and sheep has fallen one-half, of hogs and milch cows about one-third, while beef cattle alone have almost maintained their value. A fall of $753,000,000 in three years is certainly something that needs to be explained.

The *Statistical Abstract* furnishes no data which would enable us to compare the condition of the manufacturing industry with that of agriculture, but in transportation and mining the results of the depression have not been so disastrous as with the farmers. The iron industry did show a decline of 50 per cent. or more in 1894, but this has already been partially regained. One of the noteworthy facts in connection with this decline in the value of iron and manufactured products is the marked increase in the amount of manufactured goods exported. In the decade from 1880–1890 the United States had gradu-

ally increased the export of manufactured articles from $100,000,000 to $150,000,000, the next three years show a slight increase, but only once was more than $160,000,000 of manufactured goods exported prior to 1894. That year and 1895 show $183,000,000 each, while the year ending June 30, 1896, shows $228,489,893, an increase of $45,000,000 over any previous year. About ten millions of this increase is in manufactures of iron. Prices have apparently been forced down to the point where our manufacturers can compete in the markets of the world.

While the value of pig iron produced declined from $151,000,000 in 1890 to $65,000,000 in 1894, the value of the bituminous coal mined declined only from $110,000,000 to $107,000,000, and anthracite rose from $66,000,000 to $78,000,000. In both of these cases the value of the 1892 product was a little greater than either that of 1890 or 1894, and the returns would indicate that the coal industry has not suffered seriously.

Practically the same amount of petroleum was produced in 1894 as in 1890 and the same amount received for it. Perhaps here, as in the anthracite business, the monopoly has shown its *raison d'être.*

The railways of the country have suffered a decline of a little more than 10 per cent. in their gross earnings, if we compare their worst year with their best, but they are still collecting as many dollars as they did in 1890 and more than they ever did before that year. Yet this loss of 10 per cent. has thrown one-fourth of the railways into bankruptcy and seriously crippled the others. The transportation interest stands next in importance to agriculture, and collects for its service about one billion dollars, while the farmers receive for their most important crops about one and a quarter billion dollars. What would have been the effect on the railways if they had lost 25 per cent. of their revenue, as the farmers did? WILLIAM HILL.

PROFESSOR HADLEY'S CHAPTER ON TAXATION.[1]

IN a volume just published, Professor Hadley lays down the rules which should be decisive in the selection of taxes. A few sentences will make his position clear.[2]

[1] *Economics.* By A. T. HADLEY. (New York: G. P. Putnam's Sons, 1896) "Government Revenue," pp. 447–484.

[2] Pp. 450–451.